

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6324**

**BILL NUMBER:** HB 1703

**NOTE PREPARED:** Apr 2, 2009

**BILL AMENDED:** Apr 2, 2009

**SUBJECT:** Interlocal Agreements Concerning Courts.

**FIRST AUTHOR:** Rep. Saunders

**FIRST SPONSOR:** Sen. Bray

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill allows a city or town that has not established a city or town court or an ordinance violations bureau to enter into an interlocal agreement with a city, town, or other municipal corporation that has established: (1) a city or town court; or (2) an ordinance violations bureau; to hear and dispose of ordinance violations that would otherwise come under the jurisdiction of a city or town court or an ordinance violations bureau established by the city or town.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) The bill would likely result in an indeterminable change in state General Fund revenue. The number of ordinance violations cases that are not being enforced is not known and, consequently, it isn't known whether actions enforcing more ordinance violations would be filed in city or town courts or whether existing cases would shift from trial courts in the same county.

For each new case enforced in city and town courts, the state General Fund would receive \$38.50 in new court fee revenue as long as they are not being shifted from trial courts in the same county. If cases are shifted from trial courts to city and town courts, the state General Fund would lose \$10.50 in court fees for each case. (See table on following page.)

(Revised) **Background** – City and town courts have limited jurisdiction in court matters. Infractions, ordinance violations, and misdemeanors are permitted to be filed in both types of courts. Town courts have

no jurisdiction on civil matters. The civil jurisdiction of city courts is extremely limited. City courts have civil jurisdiction over cases where the amount being contested is less than \$500, but not over cases involving slander, libel, real estate, and probate-related matters. The civil jurisdiction of city courts in Lake County have a limit of \$3,000.

For each case shifted from a trial court to a city or town court, the state General Fund would lose either \$10.50, \$15, or \$18, depending on the type of case shifted. The following shows the share of court fees that the state receives, depending on whether the case is a criminal case, infraction or ordinance violations case, or civil case.

<b>State General Fund Revenue Loss For Each Case Shifted From Trial Court To City or Town Court</b>				
	Fee	Trial Courts (70%)	City and Town Courts (55%)	Revenue Loss
Infractions and Ordinance Violations	\$70	\$49	\$38.50	(\$10.50)

The following show the number of local ordinance violations disposed in trial courts and city and town courts between 2003 and 2007.

<b>Local Ordinance Violations Disposed in:</b>					
	2003	2004	2005	2006	2007
Trial Courts	72,616	54,054	51,111	63,950	60,481
City and Town Courts	29,228	32,899	31,852	35,397	32,183

### **Explanation of Local Expenditures:**

**Explanation of Local Revenues:** (Revised) If ordinance violations cases are shifted from trial courts to city and town courts, local units of government would gain \$10.50 per case. If new cases are enforced in city and town courts, local units would gain \$31.50 for each case added.

<b>Local Revenue Gain For Each Case Shifted From Trial Court To City or Town Court</b>				
	Fee	Trial Courts (30%)	City and Town Courts (45%)	Revenue Gain
Infractions and Ordinance Violations	\$70.00	\$21.00	\$31.50	\$10.50

### **State Agencies Affected:**

**Local Agencies Affected:** As of December 2007, 46 city courts and 28 town courts operated in Indiana.

**Information Sources:** 2007 Indiana Judicial Report.

**Fiscal Analyst:** Mark Goodpaster, 317-232-9852.